

# **Preliminary Report: Working Group Recommendations**

November 29, 2005  
Washington, DC

On November 28<sup>th</sup> and 29<sup>th</sup>, more than 125 economic development, business and policy leaders from local, state, and national levels met to learn, discuss, and create strategies for strengthening business reinvestment in the Gulf Coast Region after Hurricanes Katrina and Rita. This meeting was convened by the US Chamber of Commerce and the International Economic Development Council with representatives of the states of Louisiana, Mississippi, Alabama and Texas. On the 28<sup>th</sup>, participants heard from local officials, experts and business leaders on the current state of affairs in the Gulf Coast Region. This included a discussion of the status of legislation, experience from prior disasters and comments from the Department of Homeland Security.

On the 29<sup>th</sup>, the participants broke into six team discussions

Overall priorities that came from the conference included:

- 1) HOUSING,
- 2) JOBS,
- 3) LEVEES,
- 4) COORDINATION.

Specific working group recommendations are below.

## **INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT**

- Housing is a priority - THE PRIORITY
- There is a lack of vision at the local and regional levels (variability among states contributes to this)
- Include transportation issues such as roads, docks, airports, levees
- Need a land use strategy
- Needs Vary Across the States
- What is Level of Our Response?
  - State of Art Vs Simple Replacement
  - Population Dependent
  - States Have Analyses Underway
- Master List of Infrastructure Needs
- Benchmark

- Cost Estimates
- Funding Sources
- Sustainability
- Housing
  - Building Codes
  - Insurance
- Debris Removal
- Labor Shortages
- Basic Quality of Life Services
  - Water/Sewer
  - Schools
- Venture Capital Attraction
- Need for Federal Agencies to Establish Guidelines of Their Programs for States
- Regional Coordination for Effective Communication of Needs
- Group Meeting with Federal Agencies

## **WORKFORCE DEVELOPMENT**

Overarching Goals and Benchmarks

–GOAL: A streamlined delivery system that is responsive to recovery needs AND long term workforce needs

–Benchmarks:

- Short Term
    - Percentage of Posted Jobs Filled
    - Decrease in unemployment rates
  - Medium Term
    - Increase in level of education in workforce
    - Increases in average wages of employed workers
    - Ongoing reduction in unemployment rate
    - Increased rate of business start-ups
- The workforce coordination group sounds like a good idea, needs to include business leaders.
  - Lack of housing is impacting the ability for the workforce to return
  - Disconnect between skills and jobs – existed before, but now is worse because of the geographic displacement (jobs in one place and people in another)
  - Concern: Industries will modernize as they rebuild leading to a greater gap between skills and available jobs
  - Need to greatly improve communications between workforce community and economic development community

### **Key Issues**

- Making the Existing Regional Workforce/Economic Development System Work (The “Hum” Group)
- Marketing/Outreach/Matching
- Long Term Focus on Skill Development

### **The Hum Group**

- Convene a Gulf Coast Summit on Workforce (Short Term)
- Aim to integrate and collaborate more (including Economic Development leaders)

- Focus on better meeting business community needs
- Industry sector focused
- Build the *Metro Alliance* by enacting an alignment agreement between workforce boards in New Orleans labor market area region (Short Term)
- Work in lock step for 24 months
- Reconstitute Workforce Investment Boards to meet Recover, Rebuild, Renew goals (Short Term)
- New people and new organizations – get right people in the right place
- Restructure One Stop Career Centers to add strong business support services
- Attract business community to participate more
- Use federal funds as part of an integrated strategy
- Create an inventory of federal and state resources for workforce development
- Best practices in recruitment, assessment, placement and training

## **LEGISLATIVE AGENDA**

- Top Priority Items for Federal Legislative Agenda that should include all affected areas
- 1. Access to Business Capital
  - 9/11 style grants
  - Bridge loans
  - Improved SBA operation
  - Vehicles for cash-based businesses
- 2. Gulf Opportunity Zones
  - Tax exempt bonds similar to Liberty Bonds from 9/11
  - IRB's with Treasury Cost of \$6-8 billion over 10 years
  - Tax Credits – better funding and include census tracts included in presidential declared areas
- 3. Comprehensive Hurricane Protection and Coastal Restoration
  - Create protection for Category 5 storms
  - Remove moratorium on off-shore drilling
- 4. Expand Opportunities for Housing at all Income Levels
  - Expand HUD funding for owners and renters
  - Endorse housing redevelopment agency, like Baker bill, for areas that want it
- 5. Equitable Tax Relief for all Affected Areas
- Maximizing Our Strength
  - States should present a united front on the priority issues.
- Looking in the Mirror
  - The Chamber should establish a Gulf Coast Disaster Working Group to coordinate implementation of these ideas
- Other Important Items
  - Support \$8 billion bill for VA, Federal, and Military installations
  - Resolve casinos issue quickly, one way or the other
  - Block grant funding for impacted NGO's (e.g. hospitals, universities)
  - Endorse housing redevelopment agency similar Baker bill for affected areas
  - Change funding formula
  - Rescind moratorium on off-shore drilling to raise new revenue for recovery; increase state's portion
- Current Bills Needing Attention
  - The Supplemental Bill
  - Access to Capital
  - Need provisions for getting SBA loan program working
  - Bridge Loans
  - Housing - Finance and Programs
  - Ways and Means Appropriation - Gulf Opportunity Zones
- Policy Suggestions

- Allow internet sales tax for businesses in affected areas
- USDA should revisit its definitions of rural/exurban areas, since this affects funding for recovery
- Change timing of BRAC in light of recovery needs.
- Develop “Box Scores” to demonstrate success in the Gulf Coast.
- Conduct a National Conference on the Future of the Gulf Coast.
- Enlist celebrities and business leaders as spokespeople for the Region.

## **IMAGE BUILDING AND CRAFTING THE MEDIA MESSAGE**

- Develop a singular message for the national media
- Create a clear and coordinated authority for carrying out the media messaging strategy
- The four governors should operate as a unified voice to create a common front for the message
- The message should be simple and repeated
- More specific messages should be developed for various audiences – e.g. for tourists “the Gulf Coast is Still a Great Place to Visit”
- Besides energy, emphasis other topics that lend themselves to multi-state marketing such as ports, military, tourism, coastal erosion, seafood, cultural assets
- Any media needs to focus on the folks and businesses inside as well as outside the region
- Identify and vigorously promote early successes
- Have network and other national broadcasts from the Gulf Coast Region
- Enlist corporations to play a major leadership role in communications, financing, and Congressional influence.
- Measure media effectiveness and adjust resources allocations accordingly.
- Develop “Box Scores” to demonstrate success in the Gulf Coast.
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## **FINANCIAL TOOLS FOR LARGE AND SMALL BUSINESSES**

### **Action Steps**

- Passage of Go legislation package with 2-3 changes
  - Fed backing of municipal bonds; Accelerate delivery with wide range of intermediaries: existing organization
  - Push new market tax credits for impact area
- Congress to pressure SBA on GO Loans program
  - Confidence builder
  - Remove/Reduce fee Structure
  - Below market/discount Rates
  - Core small Business Recovery Loan program
- Support provisions/legislation that accelerates restoration of housing to assist business recovery
- Philanthropic programs to bring private, corporate...foundations resources for business recovery
  - Organize tour
  - Identify major sources and top needs
  - Identify local conduits for delivery
- State business plan to determine Intermediaries to use to speed delivery and system for doing so
- Communication of programs that are offered to small business
- Expedite expansion of technical assistance centers

### **Feedback from the large group**

- Grants are essential for short-term
- We need to expedite the loan process. Consider local banks in lieu of SBA
- Recognize brownfields opportunities
- The magnitude of this problem is larger than what we can pay for.
- We can throw huge amounts of money at this but we must support the fundamental American entrepreneurial spirit - we must
- Be strategic in our investments in triggering real development and actions that will stimulate long-term development

## **COORDINATION AND IMPLEMENTATION**

### **Mission**

- Prosperity in the Gulf Coast economy will require the persistent pursuit of the following strategic recommendations, along with the diligent monitoring of performance indicators

### Principles for Engagement and Rules for Coordination-Collaboration-Implementation

- Federal govt. no do what states can do
- Deal with affected areas as a regional bloc of common interests
- Coordinate topical working groups across all states and affected areas
- Establish clear ground rules for how resources are distributed
- Federal govt. should not be in the business of 'running' businesses
- Regulatory relief for economic recovery should have maximum flexibility in emergency situations
- Four affected states need to make a unified proposal for dollars with full support of governors, legislators, congressional delegation
- Use flexible 'block' grants to states for appropriate distribution of funds
- Governors prioritize regulatory waivers
- Need transparency and accountability to distribution, spending of dollars
- Federal govt should not invest in opportunities that are not sustainable and strategic (startup dollars are okay if promise sustainability, invest in leveraging investments, seek longer-term strategies versus short term temporary solutions)

### Principles for Engagement and Rules for Coordination-Collaboration-Implementation

- "Block Grant" equals federal assistance to be provided as flexible grants to states to meet their individual scenarios and demands
- Federal, state govt. support should be stimulative of private investment
- Private sector should sit at the decision-making table
- After emergency response, state and local should be in leadership role and federal govt. should be responsive
- Federal govt. use resources for technical assistance around existing 'innovation agenda' being driven by US Council on Competitiveness, Southern Growth Policy Board, others

### Coordination, Communications, Collaboration

Establish and improve a communication plan/strategy to accelerate and enhance delivery of services - focus on citizens, interorganizational, and small-medium enterprises – to ensure effective implementation of strategy, enable users to efficiently access communications, take advantage of innovation methods (blogs, Craigslist)

### Leadership, Implementation

- Four governors shall form a coalition to develop an unified plan in order to establish priorities to get appropriate levels of funding

- Four states consider cross-state working groups in key issue areas (e.g. workforce development, business reestablishment funding, etc.) – broadly representative of different sectors (business, economic, NGOs)
- Need independent body to establish metrics and track progress – identified by the collective leadership of the four Governors
- IEDC should assume responsibility for tracking progress as a neutral third party on critical action items from the Conference's effort.
- Civic leadership should and must be central to this plan and the overall communication strategies and tactics